

Date

Contact Name

PPO Provider Name

Address

City, ST 00000

Dear XX:

You have received this Notice because you may be part of a class action lawsuit about compensation for certain workers' compensation medical bills. The lawsuit claims that Coventry Health Care, Inc. ("Coventry") did not calculate the "maximum amount payable" correctly and underpaid health care providers for services they provided, in breach of the terms of its First Health PPO Provider Agreement.

If you are included, you have the right to know about your options before the Court decides whether to approve the Settlement. The fact that you have received this Notice, however, is not – by itself – evidence that you are a member of the class.

If you received this Notice you will receive \$50 without doing anything or submitting a claim. You may be eligible to file a claim for additional money. The additional amount you may receive will depend upon the total number of people who decide to participate, and the size of their claims.

Please read the enclosed Notice for more information about the Settlement. If you have further questions:

- Visit www.CoventrySettlement.com;
- Call 1-800-000-0000
- Email Administrator@coventrysettlement.com

Sincerely,

Dennis J. Hubel
United States Magistrate Judge
U.S. District Court
District of Oregon

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON

If You Have Been Reimbursed for Certain Workers' Compensation Medical Bills Through a First Health PPO Provider Agreement,

You May be Eligible for a Payment from a Class Action Settlement

A federal court authorized this notice. This is not a solicitation from a lawyer.

- A Settlement has been reached with Coventry Health Care, Inc. ("Coventry"), a health benefits company, in a class action lawsuit about compensation for certain workers' compensation medical bills, under the terms of some of its First Health PPO Provider Agreement. The lawsuit claims that Coventry did not calculate the "maximum amount payable" correctly and underpaid health care providers for services they provided.
- The Settlement includes health care providers who: 1) have or had an eligible First Health provider agreement, and 2) have had bills discounted under that provider agreement under some circumstances from March 25, 1999, to -September 3 2014 (*see* Question 5).
- The Settlement will provide payments to providers who receive this Notice in the mail, and additional compensation to Settlement Class Members who submit timely and valid claim forms (*see* Question 7).

Your legal rights are affected even if you do nothing. Please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM	The only way to get an additional payment and/or compensation for incorrectly discounted bills (<i>see</i> Question 14).
ASK TO BE EXCLUDED	Get no benefits from the Settlement. This is the only option that allows you to participate in any other lawsuit against Coventry about the claims in this case and to not be bound by the discount policy in your provider agreement (<i>see</i> Question 15).
OBJECT	Write to the Court if you don't like the Settlement (<i>see</i> Question 20).
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement (<i>see</i> Question 22).
DO NOTHING	Get \$50 payment but no additional payment or compensation. Give up rights.

- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will only be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

QUESTIONS? CALL **1-800-000-0000** OR VISIT WWW.COVENTRYSETTLEMENT.COM

BASIC INFORMATION

1. Why is there a notice?

A court authorized this notice because you have a right to know about a proposed Settlement of this class action lawsuit and all of your options before the Court decides whether to give final approval to the Settlement. This notice explains the lawsuit, the Settlement, and your legal rights.

Judge Dennis J. Hubel of the United States District Court for the District of Oregon is overseeing this case. This litigation is known as *Chehalem Physical Therapy, Inc. v. Coventry Health Care, Inc.*, No. 3:09-CV-320-HU. The people who sued are called the “Plaintiffs.” Coventry Health Care, Inc. is the “Defendant.”

2. What is this lawsuit about?

Coventry is a health benefits company. As part of its business, Coventry maintains a network of health care providers, including professionals such as doctors, as well as hospitals and other facilities. Coventry enters into provider agreements with these health care providers for them to become members of the network, which is called the First Health Network.

The lawsuit claims Coventry incorrectly calculated the reimbursement it owed providers for certain workers’ compensation medical bills, under the terms of its First Health PPO Provider Agreement. Specifically, it claims Coventry incorrectly determines the “maximum amount payable” under workers’ compensation rules and guidelines whenever a provider submits a billed charge for a service that is less than the amount specified for that service under the relevant state’s fee schedule. The Plaintiffs claim Coventry cannot apply a discount (as stated in its provider agreement) to the provider’s billed charge when that charge is less than the state or federal fee schedule amount.

Coventry denies that it has violated the PPO provider agreements.

3. Why is this lawsuit a class action?

In a class action, one or more people or entities called “class representatives” sue on behalf of themselves and other people with similar claims. All of these people together are the “class” or “class members.” In this case, the Class Representatives are Chehalem Physical Therapy, Inc. and South Whidbey Physical Therapy and Sports Clinic. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. Why is there a Settlement?

The Court has not decided in favor of the Plaintiffs or Coventry. Instead, both sides have agreed to a Settlement. By agreeing to settle, both sides avoid the cost and risk of a trial, and the Class Members affected will get a chance to receive compensation. The Class Representatives and their attorneys think the Settlement is best for all Class Members. The Settlement does not mean that Coventry did anything wrong.

QUESTIONS? CALL 1-800-000-0000 OR VISIT WWW.COVENTRYSETTLEMENT.COM

WHO IS PART OF THE SETTLEMENT?

If you received notice of the Settlement by a notice addressed to you, then you may be a Class Member. But even if you did not receive a notice, you may be a Class Member, as described below.

5. How do I know if I am part of the Settlement?

The Settlement Class includes health care providers who:

- Have or had a First Health provider agreement Which has an Appendix A that uses the term “maximum amount payable” in the language about reimbursement for services provided to occupationally ill or injured employees; and
- Have had bills discounted under that provider agreement from March 25, 1999, to September 3, 2014, by Coventry’s discounting the billed charge when that charge was less than the state or federal fee schedule amount.

6. What if I am not sure whether I am included in the Settlement?

If you are not sure whether you are included in the Settlement, you may call 1-800-000-0000 with questions or visit www.CoventrySettlement.com. You also may write with questions to Coventry First Health Settlement, P.O. Box 0000, City, ST 00000.

THE SETTLEMENT BENEFITS

7. What does the Settlement provide?

Coventry has agreed to pay up to \$8.5 million to eligible Class Members as follows:

- \$5 million will go into a “Guaranteed Fund” to pay everyone who received this Notice in the mail (*see* Question 9).
- Up to \$3.5 million will go into an “Individual Claim Fund” to pay actual damages of Class Members (*see* Question 10).

The cost to administer the Settlement, as well as attorney fees and the payment to the Class Representatives, will be paid separately by Coventry (*see* Question 19).

In addition to the monetary benefits, Coventry will change its business practices. Coventry will:

- Instruct its workers’ compensation payor clients to send to Coventry the maximum amount payable for the services indicated on the bill under applicable state or federal law for each provider bill for workers’ compensation services. (Note: Under the settlement, Coventry has no obligation to audit or independently verify that its clients comply with this.)
- Begin a program to train and educate its provider service agents who are responsible for answering the Coventry toll-free telephone number included in the Explanations of Review (“EORs”) sent to providers. This training will include:

QUESTIONS? CALL 1-800-000-0000 OR VISIT WWW.COVENTRYSETTLEMENT.COM

- Information about the provider agreement language, new provider agreement amendments, payor client submission requirements, and the pricing.
- Specific pricing examples to ensure the service agents understand how the pricing works and are able to explain it accurately to providers.
- Training that the workers' compensation allowable amount will be the maximum amount payable to the provider under applicable state or federal law.

More details are in a document called the Settlement Agreement, which is available at www.CoventrySettlement.com. Settlement benefits will begin after the Court grants final approval to the Settlement and any objections or appeals have been resolved.

8. How much will my payment be?

The Settlement Class is divided into three groups: (1) Notified Class Members, (2) Self-Identified Class Members, and (3) Actual Damages Class Members. The amount of your payment will be determined by the group(s) you are in. The two funds will be distributed as follows:

FUND	ELIGIBLE GROUPS	PAYMENT AMOUNT	CLAIM FORM REQUIRED?
Guaranteed Fund	Notified Class Members	\$50	No
	Self-Identified Class Members	Proportional share of fund after all Notified Class Member claims are paid	Yes – with documentation
Individual Claim Fund	Actual Damages Class Members	Up to amount of actual damages	Yes – with documentation

9. How will the Guaranteed Fund be distributed?

The Guaranteed Fund will be distributed to Notified Class Members and Self-Identified Class Members in a two-step process. First, payments will be made to all Notified Class Members. Then payment amounts will be calculated and made for all Self-Identified Class Members.

Step 1: Payments to Notified Class Members

Every provider who receives this Notice in the mail and does not opt out of the Settlement Class is a Notified Class Member and will receive \$50 without doing anything or submitting a claim. The amount of the Guaranteed Fund that is available for these payments will be capped at \$3 million (60,000 claims). If the number of claims is greater than the money available, the payment amount will be reduced proportionally to ensure that all Notified Class Members receive a payment. The payment you receive as a Notified Class Member will include Claim Forms and detailed instructions on how to file a claim as a Self-Identified Class Member or an Actual Damages Class Member along with information about the claim filing deadlines.

QUESTIONS? CALL 1-800-000-0000 OR VISIT WWW.COVENTRYSETTLEMENT.COM

Step 2: Payments to Self-Identified Class Members

Notified Class Members may also choose to file a claim as a Self-Identified Class Member to receive an additional payment from the Guaranteed Fund. If you submit a valid claim as a Self-Identified Class Member, and the Claims Administrator approves your claim, you will receive a proportional share of the remaining money in the Guaranteed Fund (at least \$2 million). The amount of the payment you receive will depend upon how many providers submit valid claims as Self-Identified Class Members. To file a claim as a Self-Identified Class Member, you will need to provide supporting documentation including copies of sections of your First Health PPO provider agreement and applicable appendix. You will be mailed a Claim Form when they become available.

10. How will the Individual Claim Fund be distributed?**Payments to Actual Damages Class Members**

In addition to receiving payment(s) out of the Guaranteed Fund, you may choose to submit a claim as an Actual Damages Class Member to receive a payment from the Individual Claim Fund. In order to get an Actual Damage payment, you must prove that you have had bills discounted under your First Health provider agreement from March 25, 1999, to -September 3, 2014. Coventry must have discounted the billed charge when the charge was less than the state or federal fee schedule amount.

To receive a payment from the Individual Claim Fund, you must submit a valid Claim Form with all supporting documentation, including copies of sections of your First Health PPO provider agreement and the applicable appendix and fee schedule. You will be mailed a Claim Form when they become available. You can only qualify for a payment from the Individual Claim Fund if the amount of your Individual Claim is greater than the amount you are entitled to receive from the Guaranteed Fund. Individual Claim Payments will be paid first out of the Guaranteed Fund, and then the remainder of the claim will be paid out of the Individual Claim Fund.

- *For example:* If the Individual Claim amount is \$4,000 and the provider is eligible to receive \$2,500 from the Guaranteed Fund, then the approved Individual Claim Payment will be - \$2,500 from the Guaranteed Fund and \$1,500 from the Individual Claim Fund.

If the total of all approved Individual Claim Payments (after payments are made from the Guaranteed Fund) is greater than \$3.5 million then all payments out of the Individual Claim Fund will be reduced proportionally to ensure that all eligible Actual Damages Class Members receive a payment.

11. When will I receive my payment?

No payments, either from the Guaranteed Fund or the Individual Claim Fund, will be made until after the Court grants final approval to the Settlement and after any appeals are resolved (*see* “The Fairness Hearing,” below). If there are appeals, resolving them can take time. Please be patient.

12. What am I giving up to stay in the Settlement Class?

If the Settlement becomes final, you will give up your right to sue Coventry for the claims being resolved by this Settlement. You will be “releasing” Coventry and all related people as described in Section 13 of the Settlement Agreement. The specific claims you are giving up against Coventry also are described in Section 13 of the Settlement Agreement. The Settlement Agreement is available at www.CoventrySettlement.com.

QUESTIONS? CALL 1-800-000-0000 OR VISIT WWW.COVENTRYSETTLEMENT.COM

The Settlement Agreement describes the released claims with specific descriptions, so read it carefully.

If you have any questions, you can talk to the law firms listed in Question 18 for free, or you can, of course, talk to your own lawyer if you have questions about what this means.

13. How will discounts to providers' bills be handled in the future?

This lawsuit claimed that it is incorrect for Coventry to discount a provider's billed charge for a service when the billed charge is less than the applicable state or federal fee schedule amount and the provider has certain "maximum amount payable" language in the workers' compensation reimbursement language of its PPO provider agreement.

However, Coventry's instruction to workers' compensation payors (*see* Question 7) will result in a discount off your billed charge if the:

1. Billed charge is less than the maximum payable under the applicable state or federal workers' compensation fee schedule; and
2. Reimbursement is calculated based on the workers' compensation reimbursement language of your provider agreement if it provides for payment of a percentage of the "maximum amount payable" under applicable laws, rules, regulations, or guidelines.

If you do not want these discounts, either:

1. You should not bill below the applicable state or federal fee schedule; or
2. You may cancel the workers' compensation portion of your PPO provider agreement by sending a termination notice, by United States mail, postmarked no later than July 2, 2014 (30 days after the date of this Notice) to:

Coventry First Health
P.O. Box 0000
City, ST 00000

The discounting described above will continue until the provider changes its billing practices or the cancellation of the provider's contract is effective. Cancellation of the workers' compensation portion of your PPO provider agreement will be effective 60 days after Coventry receives the termination notice.

HOW TO RECEIVE A PAYMENT

14. How can I receive a payment?

If you received this notice in the mail you will receive a payment as a Notified Class Member automatically once the Settlement is approved and all appeals are resolved.

To ask for a payment as a Self-Identified Class Member and/or an Actual Damages Class Member, you **must** complete and submit the appropriate Claim Form. You will receive these Claim Forms and instructions with your Notified Class Member Payment. If you do not receive these Claim Forms in the mail, they will be available at www.CoventrySettlement.com or by calling 1-800-000-0000. You may also write to:

QUESTIONS? CALL 1-800-000-0000 OR VISIT WWW.COVENTRYSETTLEMENT.COM

Coventry First Health Settlement

P.O. Box 0000

City, ST 00000

The deadlines for filing a claim have not yet been set.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment/benefits from this Settlement, and you want to keep the right to sue Coventry about the issues in this case, then you must take steps to get out of the Settlement. This is called excluding yourself—or it is sometimes referred to as “opting out” of the Settlement Class.

15. How do I get out of the Settlement?

To exclude yourself, send a letter that says you want to be excluded from the Settlement in *Chehalem Physical Therapy, Inc. v. Coventry Health Care, Inc.*, Case No. 3:09-CV-320-HU. Include your provider name, address, and phone number, and a statement that you (the provider) are a member of the Settlement Class. You must mail your Exclusion Request, postmarked by **July 30, 2014**, to:

Coventry First Health Settlement

P.O. Box 0000

City, ST 00000

16. If I do not exclude myself, can I sue Coventry for the same thing later?

No. Unless you exclude yourself, you give up the right to sue Coventry for the claims that this Settlement resolves.

17. If I exclude myself, can I still get a payment?

No. You will not get a payment if you exclude yourself from the Settlement Class.

THE LAWYERS REPRESENTING YOU

18. Do I have a lawyer in the case?

Yes. The Court has appointed a number of lawyers to represent all Class Members as “Settlement Class Counsel.” They include:

Steve D. Larson Email: slarson@stollberne.com Joshua L. Ross Email: jross@stollberne.com Stoll Stoll Berne Lokting & Shlachter P.C. 209 S.W. Oak Street, Suite 500 Portland, Oregon 97204 Telephone: (503) 227-1600	Diana E. Godwin Email: DianaGodwin@earthlink.net Law Offices of Diana E. Godwin 1500 NE Irving Street Suite 430 Portland, Oregon 97232 Telephone: (503) 224-0091 Facsimile: (503) 229-0614	Thomas A. Filo Email: tomfilo@yahoo.com Cox Cox Filo Camel & Wilson, LLC 723 Broad Street Lake Charles, Louisiana 70601 Telephone: (337) 436-6611 Facsimile: (337) 436-9541
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QUESTIONS? CALL **1-800-000-0000** OR VISIT WWW.COVENTRYSETTLEMENT.COM

Facsimile: (503) 227-6840		
Stephen B. Murray Email: smurray@murray-lawfirm.com Arthur M. Murray Email: amurray@murray-lawfirm.com Korey A. Nelson Email: knelson@murray-lawfirm.com Stephen B. Murray, Jr. Email: smurrayjr@murray-lawfirm.com Murray Law Firm 650 Poydras Street, Suite 1100 New Orleans, Louisiana 70130 Telephone: (504) 525-8100 Facsimile: (504) 584-5249	Joseph Payne Williams, Sr. Email: jpwpw@cp-tel.net Richard Bray Williams Email: bray@cp-tel.net Williams Family Law Firm, LLC 162 Jefferson Street Natchitoches, Louisiana 71457 Telephone: (318) 352-6695 Facsimile: (318) 352-6696	

You will not be charged for contacting these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

19. How will the lawyers be paid?

Settlement Class Counsel will ask the Court for attorneys' fees and expenses of up to \$2.6 million. The fees and expenses awarded by the Court will be paid separately by Coventry. The Court will decide the amount of fees to award. Settlement Class Counsel will also request that special service payments of \$10,000 each be paid to the Class Representatives for their service as representatives on behalf of the whole Settlement Class.

OBJECTING TO THE SETTLEMENT

20. How do I tell the Court if I do not like the Settlement?

If you are a member of the Settlement Class, you can object to any part of the Settlement, the Settlement as a whole, Settlement Class Counsel's requests for fees and expenses, and/or the special service payments to the Class Representatives. To object, you must submit a letter that includes the following:

- Your name and title, and the provider's name, address, and telephone number;
- A statement of the objector's intent to appear, either in person or through an attorney (if applicable), along with the name, address, and telephone number of the attorney;
- A statement that you are a member of the Settlement Class in *Chehalem Physical Therapy, Inc. v. Coventry Health Care, Inc.*, Case No. 3:09-CV-320-HU;
- The reasons you object to the Settlement, along with any supporting materials, exhibits, affidavits, and/or witnesses you plan to introduce;
- Your signature (or your attorney's signature).

QUESTIONS? CALL 1-800-000-0000 OR VISIT WWW.COVENTRYSETTLEMENT.COM

The requirements to object to the Settlement are described in detail in Section 18 of the Settlement Agreement. You must mail a copy of your objection to each of the following three addresses, and your objection must be postmarked by **July 30, 2014**:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court Mark O. Hatfield United States Courthouse 1000 S.W. Third Ave. Portland, OR 97204	Steve D. Larson Joshua L. Ross Stoll Stoll Berne Lokting & Shlachter P.C. 209 S.W. Oak Street, Suite 500 Portland, Oregon 97204	V. Robert Denham, Jr. Jennifer A. Adler, Robins, Kaplan, Miller & Ciresi L.L.P. 1201 West Peachtree Street Suite 2200 Atlanta, Georgia 30309-3453

21. What is the difference between objecting and asking to be excluded?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object only if you do not exclude yourself from the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement and any requests for fees and expenses. You may attend and you may ask to speak, but you do not have to.

22. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at **10:00 a.m. on September 3, 2014**, at the Mark O. Hatfield United States Courthouse, 1000 S.W. Third Ave., Portland, OR 97204. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check www.CoventrySettlement.com or call **1-800-000-0000**, to confirm the date and time. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them, and will listen to people who have asked to speak at the hearing. The Court also may decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

23. Do I have to attend the hearing?

No. Class Counsel will answer questions the Court may have. However, you (and/or your own lawyer) are welcome to attend at your expense. If you send an objection, you do not have to come to court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You also may have your own lawyer attend, but it is not necessary.

24. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter stating that it is your "Notice of Intention to Appear in *Chehalem Physical Therapy, Inc. v. Coventry Health Care, Inc.*, Case No. 3:09-CV-320-HU." Be sure to include your name and title; the provider's

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name, address, and telephone number; and your signature. Also state whether you will be represented by an attorney, and if so, include his/her name, address, and phone number. Your Notice of Intention to Appear must be postmarked no later than July 30, 2014, and must be sent to each of the addresses listed in Question 20.

GETTING MORE INFORMATION

23. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement at www.CoventrySettlement.com. You also may write with questions to Coventry First Health Settlement, P.O. Box 0000, City, ST 00000 or call the toll-free number, 1-800-000-0000. A Claim Form is also available on that website, or by calling the toll free number, 1-800-000-0000.

QUESTIONS? CALL 1-800-000-0000 OR VISIT WWW.COVENTRYSETTLEMENT.COM